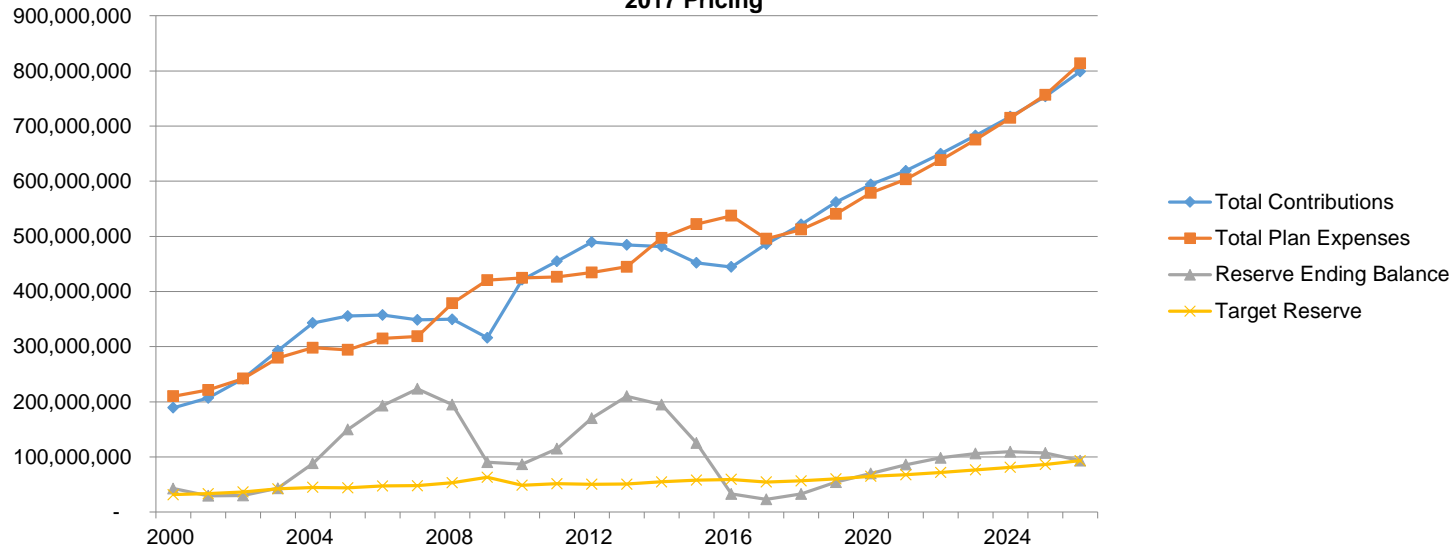


Division of Health Care Finance
Projected Reserve Calculation
Medical, Pharmacy, Dental and Vision
Projection as of January 2017

Plan Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Factors and Assumptions													
Interest Rate on Reserves	0.1%	0.2%	0.3%	0.5%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Admin/Contract Fee Trend	0.8%	0.8%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Medical Cost Trend Rate	7.5%	7.5%	6.8%	5.5%	5.5%	6.0%	6.0%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Rx Cost Trend Rate			8.4%	9.0%	8.0%	7.5%	7.0%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Policy Choices				Future Policy Choices.....									
State Employer Contr. % incr. (eff. July 1)	-2.0%	-8.5%	0.0%	7.0%	7.7%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%
Non-State Employer Contr. % incr. (eff. July 1)	-2.0%	0.0%	6.0%	7.0%	7.7%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%
Contribution % Increase													
Active Employee Only	-2.0%	0.0%	36.7%	9.0%	7.7%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%
Spouse Only	-2.0%	0.0%	36.7%	30.4%	31.1%	20.7%	13.8%	5.1%	9.5%	9.4%	9.3%	9.1%	9.1%
Retiree Rate Increase	-2.0%		21.30%	46.1%	0.0%	4.5%	8.1%	4.5%	6.4%	6.4%	6.4%	6.4%	6.4%
Beginning Total Reserve Balance													
	210,048,485	194,666,302	124,938,539	32,625,824	23,239,537	32,606,158	54,252,238	69,886,417	85,944,025	98,254,615	106,281,328	109,407,167	107,063,449
Projected Cash Flow													
Total Employer Contributions	363,183,109	344,369,078	326,956,665	338,185,063	359,069,683	379,019,685	392,791,017	407,066,002	421,863,221	437,201,949	453,102,180	469,584,655	486,670,890
Total Participant Contributions	118,499,577	107,742,610	117,580,138	147,870,027	162,381,468	183,096,153	201,415,745	211,792,500	228,047,085	245,453,194	264,114,087	284,037,154	312,328,045
Total Contributions	481,682,685	452,111,688	444,536,802	486,055,090	521,451,151	562,115,838	594,206,762	618,858,502	649,910,306	682,655,143	717,216,267	753,621,809	798,998,935
Total Plan Expenses (Claims, ASO fees & contracted expenses)	497,077,244	522,197,896	537,241,182	495,602,562	512,258,827	540,714,304	578,979,475	603,325,042	638,244,296	675,365,340	714,887,538	756,786,081	813,648,047
Interest on Reserves	12,375	358,445	391,664	161,186	174,297	244,546	406,892	524,148	644,580	736,910	797,110	820,554	802,976
Net Cash Flow	(15,382,184)	(69,727,763)	(92,312,716)	(9,386,286)	9,366,621	21,646,080	15,634,179	16,057,608	12,310,590	8,026,713	3,125,839	(2,343,718)	(13,846,136)
Projected Reserve Balance													
Reserve Ending Balance	194,666,301	124,938,539	32,625,824	23,239,537	32,606,158	54,252,238	69,886,417	85,944,025	98,254,615	106,281,328	109,407,167	107,063,449	93,217,313
Target Reserve	54,724,865	57,993,089	59,234,661	54,604,168	56,517,341	59,956,077	64,657,050	67,534,724	71,772,452	76,281,072	81,085,636	86,182,003	93,217,312
IBNR Claim Reserve	31,572,037	33,477,922	34,173,843	31,502,405	32,606,158	34,590,044	37,302,144	38,962,341	41,407,184	44,008,311	46,780,175	49,720,386	53,779,219
Claim Fluctuation Reserve	23,152,827	24,515,167	25,060,818	23,101,763	23,911,183	25,366,033	27,354,906	28,572,383	30,365,268	32,272,761	34,305,461	36,461,617	39,438,094

**Projected Reserve Balance
Annual Contributions, Expenses and Fund Balances
2017 Pricing**



**Projected Reserve Balance
Increases in Employer and Employee Premium Contributions
2017 Pricing**

